

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
PARISHES OF
CATAHOULA AND CONCORDIA, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

**AS OF JUNE 30, 2010
AND FOR THE EIGHTEEN MONTHS THEN ENDED**

**WITH
INDEPENDENT AUDITOR'S REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
PARISHES OF
CATAHOULA AND CONCORDIA, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

Seventh Judicial District
Office of Public Defender
Parishes of Catahoula and Concordia, Louisiana
Vidalia, Louisiana 71373

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seventh Judicial District Office of Public Defender as of and for the eighteen months ended June 30, 2010, which collectively comprise the Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Seventh Judicial District Office of Public Defender's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Seventh Judicial District Office of Public Defender at June 30, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2010, on our consideration of the Seventh Judicial District Office of Public Defender's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3 through 6 and pages 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Silas Simmons, LLP

Natchez, Mississippi
November 17, 2010

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2010**

As Management of the Seventh Judicial District Office of Public Defender (the SJD), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Board for the eighteen month period ended June 30, 2010 and December 31, 2008.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$133,912 in 2010, and \$328,184 in 2008.
- Cash on hand at June 30, 2010, was \$145,037 and \$321,794 at December 31, 2008.
- Revenues were \$380,085 in 2010, and \$396,089 in 2008.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the SJD's financial statements. The Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the SJD's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the SJD's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The statement of activities presents information showing how the SJD's net assets changed during the most recent fiscal year.

The government-wide financial statements outline functions of the Board that are principally supported by court costs and fees (governmental activities).

The government-wide financial statements can be found on pages 7 - 8 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 9 - 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 - 19 of this report.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the net assets at June 30, 2010, and December 31, 2008:

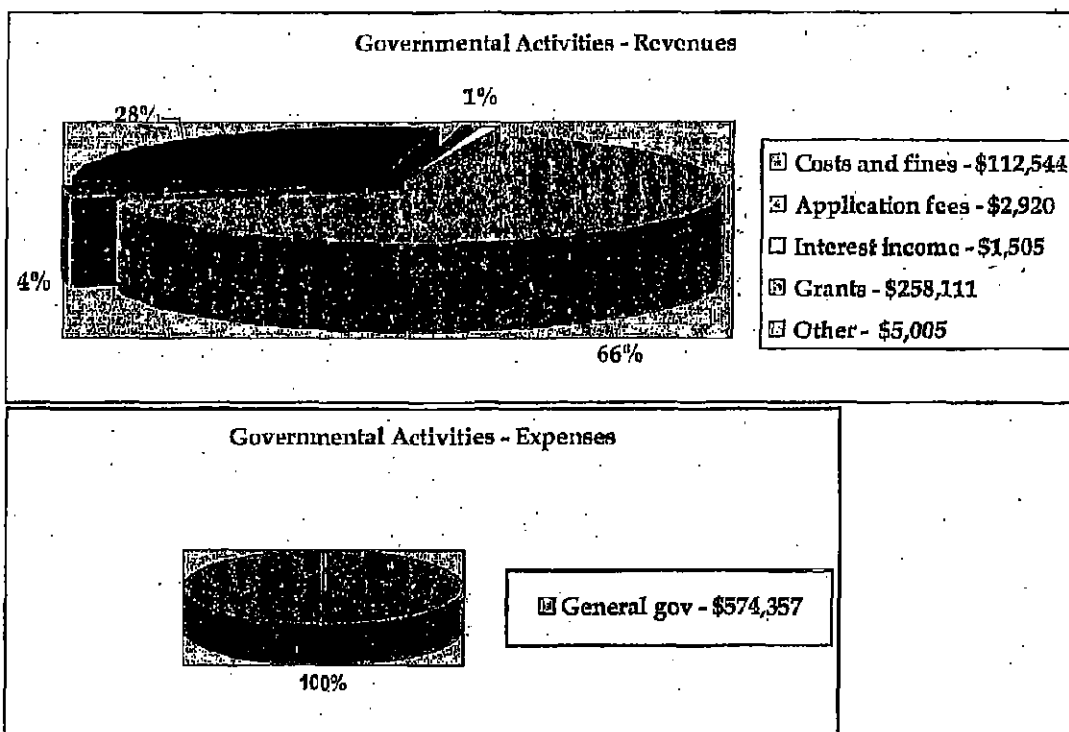
	<u>2010</u>	<u>2008</u>
Current assets	\$ 156,109	\$ 335,720
Noncurrent assets - capital assets	3,136	4,545
Total assets	<u>\$ 159,245</u>	<u>\$ 340,265</u>
Current liabilities	<u>\$ 25,333</u>	<u>\$ 12,081</u>
Net assets		
Investment in capital assets	\$ 3,136	\$ 4,545
Unrestricted	<u>130,776</u>	<u>323,639</u>
Total net assets	<u>\$ 133,912</u>	<u>\$ 328,184</u>

The following is a comparative summary of the statement of activities:

Revenues		
Court costs on fines	\$ 112,544	\$ 53,963
Intergovernmental	258,111	334,697
Application fees	2,920	2,940
Interest income	1,505	4,489
Other income	5,005	-
Total revenues	<u>\$ 380,085</u>	<u>\$ 396,089</u>
Expenses		
General government	\$ 572,948	\$ 306,333
Depreciation	1,409	470
Total expenses	<u>\$ 574,357</u>	<u>\$ 306,803</u>
Increase (decrease) in net assets	\$ (194,272)	\$ 89,286
Net assets - beginning of year	<u>328,184</u>	<u>238,898</u>
Net assets - end of year	<u>\$ 133,912</u>	<u>\$ 328,184</u>

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2010**

The following are a graphical representation of information presented in the Statement of Activities for Governmental Activities for 2010 and the eighteen month period ended June 30, 2010:



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Comments on General Fund Comparisons

The SJD's budget was not revised during the last year. The budgeted expenditures were \$279,300 and actual expenditures were \$559,696.

Revenue available for expenditure was \$706,789, including beginning equity.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2010

CAPITAL ASSETS

During 2010, the SJD purchased no capital assets.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the SJD's finances and to show the Board's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Judy Pugh, 4001 Carter Street, Room 9, Vidalia, Louisiana 71373. The telephone number is (318) 336-5526.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
STATEMENT OF NET ASSETS
JUNE 30, 2010**

<u>ASSETS</u>		
Cash and cash equivalents		\$ 145,037
Receivables:		
Accounts		11,072
Capital assets	\$ 13,217	
Less accumulated depreciation	(10,081)	3,136
Total assets		\$ 159,245
<u>LIABILITIES</u>		
Current liabilities:		
Accounts and other payables		\$ 25,333
<u>NET ASSETS</u>		
Invested in capital assets		\$ 3,136
Unrestricted		130,776
Total net assets		\$ 133,912

The accompanying notes are an integral part of this statement.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
STATEMENT OF ACTIVITIES
EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010

EXPENDITURES

General government

\$ 574,357

PROGRAM REVENUES

Court costs on fines

\$ 112,544

Application fees

2,920

Total program revenues

\$ 115,464

NET PROGRAM EXPENSE (DEFICIT)

\$ (458,893)

GENERAL REVENUES

Intergovernmental - state grants

\$ 258,111

Interest income

1,505

Other income

5,005

Total general revenues

\$ 264,621

(Deficiency) of revenues over expenditures

\$ (194,272)

Net assets - beginning of year

328,184

Net assets - end of year

\$ 133,912

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
BALANCE SHEET
JUNE 30, 2010

ASSETS

Current assets

Cash \$ 145,037

Receivables 11,072

Accounts

Total assets \$ 156,109

LIABILITIES

Current liabilities

Accounts and other payables \$ 25,333

Fund balances

Unrestricted \$ 130,776

Total liabilities and fund balances \$ 156,109

The accompanying notes are an integral part of this statement.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances for governmental funds (Statement C) \$ 130,776

Total net assets reported for governmental activities in the statement
of net assets is different because:

Capital assets used by governmental activities are not financial
resources and, therefore, are not reported in the funds. Those
assets consist of:

Equipment	\$ 13,217	
Less accumulated depreciation	(10,081)	3,136

Total net assets of governmental activities (Statement A) \$ 133,912

The accompanying notes are an integral part of this statement.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010

REVENUES

Program revenues	
Court costs on fines	\$ 112,544
Application fees	2,920
General revenues	
Intergovernmental - state grants	258,111
Interest income	1,505
Other income	5,005
Total revenues	<u>\$ 380,085</u>

EXPENDITURES

General government	<u>\$ 572,948</u>
Net change in fund balance (deficiency)	\$ (192,863)
Fund balance, beginning of period	<u>323,639</u>
Fund balance, end of period	<u>\$ 130,776</u>

The accompanying notes are an integral part of this statement.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010

Net changes in fund balance - governmental fund (Statement E) \$ (192,863)

Amounts reported for governmental activity in the statement of activity is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (1,409)

Change in net assets per statement of activities (Statement B) \$ (194,272)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010**

INTRODUCTION

The Seventh Judicial District Office of Public Defender (The Office), formerly known as the Seventh Judicial District Indigent Defender Board, was originally created in compliance with Louisiana Revised Statute 15:133-149 to serve the Seventh Louisiana Judicial District in representing indigent (needy individuals) in criminal and quasi-criminal cases at the district court level. Pursuant to the passage of Act 307, district indigent defender boards throughout the State of Louisiana were dissolved and district offices of public defender were created, all serving under the direction of the Louisiana Public Defender Board headquartered in New Orleans. This change went into effect on August 15, 2007. This local office now functions as the Seventh Judicial District Office of Public Defender under the supervision of a Chief Public Defender (domiciled with the Seventh District) in charge of day to day operations, serving the Seventh Judicial District comprised of the Louisiana parishes of Concordia and Catahoula. Derrick Carson of Ferriday, Louisiana serves as the Chief Public Defender for the Seventh District.

The Office changed its year end to June 30, 2010, in order that the year end for this entity would be the same year end as all of the other Office's of Public Defender in the State of Louisiana.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Seventh Judicial District Office of Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Judicial District Office of Public Defender is part of the operations of the district court system. However, the district court system is fiscally dependent on the Concordia Parish Police Jury for office space and courtrooms. In addition, the police jury's financial statements would be incomplete or misleading without inclusion of the Office of Public Defender. For these reasons, the Office of Public Defender was determined to be a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the board and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Office of Public Defender uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds

Governmental funds account for all or most of the Office of Public Defender's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the board. The following is the office's only fund:

General Fund - the operating fund of the Office of Public Defender and it accounts for all financial resources. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to board policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Office of Public Defender operations.

The amounts reflected in the General Fund of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Office of Public Defender considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues - Revenues are generally recognized when they become measurable and available as net current assets. Court costs are recorded when due. Substantially all other revenues are recorded when received.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the board as a whole. These statements include all the financial activities of the Office of Public Defender. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from board users as a fee for services; program revenues reduce the cost of the function to be financed from the board's general revenues.

E. BUDGETS

The Office of Public Defender uses the following budget practices:

- a. On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimated, and requested appropriations for the next fiscal year.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Office of Public Defender may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Office of Public Defender maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	
Purniture and fixtures	5-7 years

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. COMPENSATED ABSENCES

The Office of Public Defender has the following policy relating to vacation and sick leave:

Vacation and sick leave policies are set by the Office of Public Defender. Employees receive four weeks vacation if continuously employed for fifteen years, two weeks vacation if continuously employed for five years, and one week if continuously employed for one year. Vacation leave does not accrue. Sick leave is accumulated at the rate of one day per month beginning with the first full month of employment. Sick leave may be accrued up to a maximum of sixty days. Accrued sick leave is reflected in these basic financial statements. The holidays designated as court holidays by the State Legislature are observed.

The office's recognition and measurement criteria for compensated absences follows: GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2010, the Office of Public Defender has cash and cash equivalents (book balances) totaling \$145,037 as follows:

Demand deposits	\$ 110,808
Interest-bearing demand deposits	9,210
Time deposits	<u>25,019</u>
Total	<u>\$ 145,037</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2010, the Office of Public Defender has \$158,657 in deposits (collected bank balances). These deposits are secured from risk by \$158,657 of federal deposit insurance.

NOTE 3 - RECEIVABLES

The receivables of \$11,072 at June 30, 2010, are as follows:

Court costs on fines	\$ 11,072
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 11,072</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2010, are as follows:

Activities	December 31, 2008	Additions	Deletions	June 30, 2010
Furniture and equipment	\$ 13,217	\$ -	\$ -	\$ 13,217
Less accumulated depreciation:				
Furniture and equipment	<u>(8,672)</u>	<u>(1,409)</u>	<u>-</u>	<u>(10,081)</u>
Capital assets, net	<u>\$ 4,545</u>	<u>\$ (1,409)</u>	<u>\$ -</u>	<u>\$ 3,136</u>

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 5 - PENSION PLAN

Plan Description. Substantially all employees of the Seventh Judicial District Office of Public Defender are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. [Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.] The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. [Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the board is required to contribute at an actuarially determined rate. The current rate is 5.5% of annual covered payroll.] Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the board are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Board's contributions to the System under Plan A for the period ending June 30, 2010, were \$40,750 equal to the required contributions for the year.

NOTE 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$25,333 at June 30, 2010, are as follows:

Withholdings	\$ 7,388
Accounts	17,945
Total	<u>\$ 25,333</u>

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 7 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the eighteen month period ended June 30, 2010, the major sources of governmental fund revenues and expenditures were as follows? :

Revenues:

State Government	
Grants	\$ 258,111
Total	\$ 258,111
Charges for Services	\$ 115,464
Investment earnings	1,505
Miscellaneous	5,005
Total Revenues	\$ 380,085

Expenditures:

Personnel Services and Benefits	
Salaries	\$ 293,986
Retirement contributions	40,750
Insurance	4,035
Payroll taxes	5,227
Total	\$ 343,998
Professional Development	
Dues, licenses, and registrations	\$ 5,720
Travel	3,890
Total	\$ 9,610
Operating Costs	
Contract services - attorney/legal	\$ 171,490
Supplies	8,348
Utilities and telephone	8,951
Library and research	13,630
Other	16,921
Total	\$ 219,340
Total Expenditures	\$ 572,948

NOTE 8 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through November 17, 2010, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
EIGHTEEN MONTHS ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Budget Favorable (Unfavorable)</u>
Revenues:			
Court cost on fines	\$ 69,000	\$ 105,398	\$ 36,398
Intergovernmental	310,000	258,111	(51,889)
Application fees	3,000	2,920	(80)
Interest income	-	1,505	1,505
Other income	-	5,005	5,005
Total revenues	<u>\$ 382,000</u>	<u>\$ 372,939</u>	<u>\$ (9,061)</u>
Expenditures	<u>\$ 279,300</u>	<u>\$ 559,696</u>	<u>\$ (280,396)</u>
Net change in fund balance (deficit)	\$ 102,700	\$ (186,757)	\$ (289,457)
Fund balance, beginning of period	<u>333,850</u>	<u>333,850</u>	<u>-</u>
Fund balance, end of period	<u>\$ 436,550</u>	<u>\$ 147,093</u>	<u>\$ (289,457)</u>

Note: The budget was not amended during 2010.

See Independent Auditor's Report.

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2010**

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the actual data on the budget basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Office of Public Defender. Amendments can be made on the approval of the Office of Public Defender. A budgetary comparison is presented for the General Fund consistent with accounting principles generally accepted in the United States of America. There were no nonmajor funds.

3. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major special revenue fund:

Net change in fund balance - budget basis	\$ (186,757)
Increase (decrease)	
Net adjustments for revenue accruals	7,146
Net adjustments for expenditure accruals	(13,252)
Net change in fund balance - GAAP basis	<u>\$ (192,863)</u>

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE**



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
 AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

Seventh Judicial District
 Office of Public Defender
 Parishes of Catahoula and Concordia
 Vidalia, Louisiana 71373

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seventh Judicial District Office of Public Defender as of and for the eighteen months ended June 30, 2010, which collectively comprise the Office's basic financial statements and have issued our report thereon dated November 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Seventh Judicial District Office of Public Defender's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Seventh Judicial District Office of Public Defender's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Seventh Judicial District Office of Public Defender's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Seventh Judicial District Office of Public Defender's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Office of Public Defender's financial statements that is more than inconsequential will not be prevented or detected by the Office of Public Defender's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office of Public Defender's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Office of Public Defender's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings as 2010-1.

This report is intended for the information and use of management of the Office of Public Defender and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Silas Simmons, LLP

Natchez, Mississippi
November 17, 2010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
SCHEDULE OF FINDINGS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010**

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| | |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not
considered to be material weaknesses? | None reported |
| | |
| 3. Material noncompliance relating to the financial statements? | No |

**SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
SUPPLEMENTAL INFORMATION SCHEDULE
JUNE 30, 2010**

**STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
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Section I - Internal Control and Compliance Not Material to the Financial Statements

None

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter

None

SEVENTH JUDICIAL DISTRICT
OFFICE OF PUBLIC DEFENDER
JUNE 30, 2010

STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2010

Reference No.	Description of Finding	Name of Contact Person	Anticipated Completion Date
Section I - Internal Control and Compliance Material to the Financial Statements			
2010-1	<u>Budget Law Violation</u> We noted the office had budgeted expenditures of \$279,300 and actual expenditures of \$559,096. The variance was 100% in excess of the budgeted amount. Louisiana Revised Statute 39:1311 requires expenditures to be within 5% of the amount budgeted.	Judy Pugh	6-30-11

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter

None